



# Department of Justice

FOR IMMEDIATE RELEASE  
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## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES AS CONDITION OF RAYTHEON'S ACQUISITION OF HUGHES AIRCRAFT**

WASHINGTON, D.C. -- The Department of Justice today filed a lawsuit and proposed settlement that will allow Raytheon Company to go forward with its \$5.1 billion acquisition of General Motors' Hughes Aircraft subsidiary.

The agreement, which was announced on October 2, 1997, requires Raytheon to divest two defense electronics businesses in order to preserve competition in sophisticated technology for U.S. weapons systems.

The agreement also requires that Raytheon establish procedures that will prohibit the two teams--employees from Raytheon and Hughes--from disclosing information to each other and to senior management of Raytheon on the development and production of a new antitank missile for the Army. The agreement would preserve the independence of Raytheon and Hughes as competitors of the FOTT Program.

The Antitrust Division said Raytheon received final approval from the Departments of Justice and Defense by reaching an agreement with the Air Force setting firm prices for the AMRAAM air-to-air missile. Raytheon and Hughes have been competing bidders for the AMRAAM missile and, although, the acquisition eliminates

further competition between the two, the setting of a firm price will save the Air Force \$180 million over the next four years.

The Department's Antitrust Division filed the complaint and proposed settlement in U.S. District Court in Washington, D.C.

As required by the Tunney Act, the proposed consent decree will be published in the Federal Register, together with the Department's competitive impact statement. Any person may submit written comments concerning the proposed consent decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H St., N.W., Suite 3000, Washington, D.C. 20530 (202/307-0924).

At the conclusion of the 60-day comment period, the U.S. District Court in Washington, D.C. may enter the consent decree upon finding that it serves the public interest.

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